SAN JOSE MERCURY NEWS (CA) FILE ONLY
5 April 1984

Spy-case figure hopes CIA links will help him

By David Wilman Staff Writer

William Bell Hugle, the Silicon Valley entrepreneur named as a target of a federal grand jury espionage probe, has performed "several jobs" for the Central Intelligence Agency, he told the Mercury News on Wednesday.

In a wide-ranging interview by phone from his suite at a Paris hotel, Hugle denied any involvement in the espionage under investigation and said he hopes his past links with the Charwill help shield him from prosecution.

"I'd like to think," he said, "that if push comes to shove, that I'll have the support of the CIA.... I've done several jobs for the CIA.... in several countries for them.

... I have talked with them and cooperated with them in many cases."

Hugle would not elaborate on what those jobs entailed, but he said he was never paid for any of the work. A spokesman for the CIA in Washington, D.C.,

did not return a phone call on the subject.

Hugle has previously said that he aided the State Department during the Iran hostage crisis in 1979-1980. The State Department has verified that Hugle assisted in the negotiations with Iran, apparently as a liaison with his son-in-law, Ali Reza Nobari. Nobari at the time was governor of the Central Bank of Iran and was considered a top aide to then-President Abolhassan Bani-Sadr.

Hugle has been named as a central figure in the government's espionage case against Mountain View

resident James D. Harper Jr.

Harper, a Silicon Valley engineer and promoter, was arrested Oct. 15 and later indicted by a grand jury on six counts of espionage and three counts of tax evasion. He allegedly stole Minuteman missile secrets and sold them to Polish agents. The secrets allegedly were later delivered to Russian agents.

An FBI affidavit composed in support of Harper's arrest contained an allegation that Harper had agreed to give Hugle one-third of the \$250,000 to \$1 million peid by the Soviet bloc for the military secrets.

The FBI document, which named Hugle 19 times, also said that Harper had known him as "the Big Man" who first introduced him to a Polish intelligence officer. Mcreover, a federal prosecutor on Nov. 10 said in open court that Hugle was a "target" of the same grand jury in San Francisco that indicted Harper on Dec. 9.

But Hugle has not been indicted, and, with less than three weeks until Harper is to go on trial, prosecutors steadfastly have refused to discuss his status.

In the interview Wednesday, Hugle said he is confident he will not be indicted on any espionage charges because he has done nothing wrong.

'No evidence whatsoever'

While Hugle recalled first meeting Harper in 1972, he said he has not seen him for five years. He said he also knew Zdzislaw Przychodzien, who the FBI says is a Polish agent. But Hugle said he does not recall whether he introduced the two.

"There's no evidence whatsoever that I was involved in that case," he said. "I think the espionage thing has to be kind of a laugh, in a way.... I was there in California and they could have indicted me already. And I appeared (before the grand jury in San Francisco) all the times they asked me to appear."

Hugle said the FBI and the U.S. Attorney's Office assisted him early this year in obtaining a new 10-year passport when other agencies were insisting that he was eligible only for a five year passport.

was eligible only for a five-year passport.

Hugle, who has founded several Silicon Valley companies, said he has been in Paris since early February trying to raise \$250,000 from European investors to start a high-tech company there.

Hugle said that one of his attorneys, John Williams of San Jose, had been informing federal authorities of

his whereabouts, but is no longer doing so.

Before Wednesday's interview, Hugle had declined to discuss the spy case with the Mercury News. He said he agreed to the hourlong interview in part on the advice of one of his attorneys.

Asked if he believes he has the backing of the CL4 in his current predicament, the 57-year-old Hug'e said:

"I think I have the support of part of it, anyway."
Have any CIA officials said they will speak on
Hugle's behalf to the U.S. Attorney's Office or the
Justice Department?

"There have certainly been people that have indicated they would help me if that was necessary," Hugle said, "but on the other hand, we have a different administration than we had before."

Assistant U.S. Attorney William B. Farmer, one of the prosecutors in the Harper case, would not comment on any of Hugle's remarks.

Doesn't fear Harper

Hugle said of Harper, whose atterney on Tuesday said his client might cooperate with the government's quest to indict other potential suspects:

"I have a lot of difficulty understanding what (Harper) could possibly say that would be truthful that

would be harmful to me, quite frankly.

"I wouldn't be surprised if there were other unknown and unnamed people who have worked with him. But I don't know that that's true, or not true."

Asked further about the possibility that Harper will implicate others in exchange for a reduced sentence,

Hugle said:

"It's my understanding that he's doing that in trade for speaking against other people. My personal opinion is that those other people do not include me. I think... I was chosen initially but I have to suspect that he has many other people who work for him in collecting the information and he's tried to protect them up to now."

Asked specifically about the contention that Harper was to have shared one-third of the \$250,000 to \$1

million with him, Hugle said:

"That's absolutely, totally untrue. Absolutely no such representation was made to me. I never received a dime from him at all, or anyone else, the Polish government or anybody else."

Continues